

News Release

FOR IMMEDIATE RELEASE

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DEA Suspends Pharmaceutical Wholesale Distributor and Retailers Ability to Sell Controlled Substances

Recent Efforts Go Beyond "Mom and Pop" Businesses

Feb 6 ORLANDO, Fla. Mark R. Trouville, Special Agent in Charge (SAC) of the Miami Field Division (MFD), Drug Enforcement Administration (DEA), announced today the issuance of Immediate Suspension Orders (ISO) at Cardinal Health, a pharmaceutical wholesale distributor in Lakeland, Florida, and two of its customers, CVS/Pharmacy #219 and CVS/Pharmacy #5195, both located in Sanford, Florida. An ISO is served pursuant to 21 U.S.C. § 824(d) when a DEA-registered business or individual (registrant) constitutes an imminent danger to the public safety and suspends a registrant's ability to handle or distribute a controlled substance such as oxycodone, hydrocodone and others pending a judicial proceeding.

These actions are part of the DEA MFD's continuing efforts to combat the state's prescription drug abuse epidemic and its role as a major source to other states of diverted pharmaceutical drugs. On average, seven people die every day in Florida due to prescription drug abuse, according to the Florida Department of Law Enforcement. The efforts in recent years have included arrests and criminal actions against Florida doctors and individually owned pharmacies that operated outside the scope of legitimate medical purposes.

The ISO against Cardinal Health's Lakeland distribution center, located at 2045 Interstate Drive, Lakeland, alleges that this distribution center failed to maintain effective controls against the diversion of controlled substances into other than legitimate medical, scientific, and industrial channels, in violation of 21 U.S.C. § 823(b)(1) and (e)(1). Furthermore, it alleges that Cardinal Health failed to conduct due diligence to ensure that the controlled substances were not diverted into other than legitimate channels. The ISO was served at this location on Friday, February 3.

Friday's operation at the Lakeland facility is not DEA's first visit. In December 2007, DEA issued an ISO at the location due to its distribution of hydrocodone to "rogue" internet pharmacies. That action, and similar actions at other Cardinal Health facilities across the United States, resulted in a \$34 million fine. \$16 million of this amount was paid to the United States Attorney's Office, Middle District of Florida. Since October 2008, Cardinal Health has been operating under an Administrative Memorandum of Agreement (MOA) with the DEA that requires Cardinal Health to maintain a compliance program designed to detect and prevent diversion of controlled substances as required under the Controlled Substances Act and applicable DEA regulations. More details regarding the previous cases against Cardinal Health can be found at www.DEA.gov.

The ISOs served at CVS/Pharmacy #219, 3798 Orlando Drive, Sanford, FL 32773, and CVS/Pharmacy #5195, 4369 W. 1st Street, Sanford, FL 32771, allege, among other things, that each registrant failed to exercise its corresponding duty regarding the proper prescribing and dispensing of controlled substances in violation of 21 C.F.R. § 1306.04(a). According to the ISO, each registrant was filling prescriptions far in excess of the legitimate needs of its customers. The average pharmacy in the U.S. in 2011 ordered approximately 69,000 oxycodone dosage units. Collectively, these two pharmacies, located approximately 5.5 miles apart, ordered over three million dosage units during the same year. The ISOs allege that each registrant knew, or should have known, that a large number of the prescriptions for controlled substances that it filled were not issued for a legitimate medical purpose or were issued outside the usual course of professional practice. This action is a step towards the distribution of controlled substances at these two locations and will further deter product diversion including non-controlled pharmaceutical drugs.

The DEA Miami Field Division has a long history of working large-scale cases from the bottom to the top of drug trafficking organizations," said DEA MFD SAC Mark R. Trouville. The manner in which we are addressing the current threat from pharmaceutical drugs is no exception. We will

continue to investigate all of those involved in the diversion of pharmaceutical controlled substances, regardless of their level in an organization."

Cardinal Health and the two CVS/Pharmacy locations will be given an opportunity for an administrative hearing to determine whether the DEA Certificate of Registration at each of the three locations should be revoked. The final decision will be published in the *Federal Register*.

Also on Friday, Cardinal Health filed for a Temporary Restraining Order in U.S. District Court in Washington, D.C. seeking to remove their suspension to handle controlled substances and allowing them to resume their activities. The District Court Judge granted Cardinal's request pending a hearing scheduled for Monday, February 13, 2012.

More than seven million Americans abuse prescription drugs, according to the 2010 Substance Abuse and Mental Health Services Administration's National Survey on Drug Use and Health. And every day, on average, 2,500 teens use them to get high for the first time, according to the Partnership for a Drug-Free America.

Other DEA MFD efforts include its enforcement operations such as Operation Pill Nation in South Florida, Operation Pill Nation II in Tampa, Operation Medicine Shoppe in Central Florida, and DEA National Prescription Drug Take-Back Day occurring on April 28, 2012.

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FW: Pharmacy to pay \$1 million to settle civil allegations

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Pharmacy to pay \$1 million to settle civil allegations

BY JEFF GERMAN

LAS VEGAS REVIEW-JOURNAL

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A Las Vegas pharmacy has agreed to pay the government \$1 million to resolve civil allegations that it violated federal drug laws, U.S. Attorney Daniel G. Bogden announced Tuesday. Lam's Pharmacy entered into a memorandum of agreement with the U.S. attorney's office and the Drug Enforcement Administration on Feb. 1 to pay the money and surrender its DEA registration, Bogden said in a news release.

A DEA investigation into the Lam's record-keeping from May 2006 to February 2012 found that the pharmacy may have violated civil provisions of the Controlled Substances Act.

"This is the largest civil settlement of its kind against a nonchain or noninstitutional pharmacy in the United States," Bogden said. "Civil settlements such as this are an extremely important component in our strategy to combat unlawful prescription drug trafficking in Nevada. "

Timothy J. Landrum, Special Agent in Charge of the Las Vegas DEA, added: "This settlement highlights DEA's commitment to combat the epidemic of prescription drug abuse and ensure companies are held accountable to their legal and ethical responsibilities.

"From reducing the demand for these drugs, to enforcing drug laws, to taking prescription drugs out of harm's way when no

longer needed, the DEA will continue to work with our state and local counterparts to help keep our communities safe." Contact Jeff German at jgerman@reviewjournal.com or 702-380-8135.